

Public Law 96-249
96th Congress

An Act

To amend the Food Stamp Act of 1977 to improve food stamp program fiscal accountability through reductions in inaccurate eligibility and benefit determinations; to improve the system of deductions; to increase the specific dollar limitations on appropriations for the fiscal years 1980 and 1981 food stamp programs; and for other purposes.

May 26, 1980

[S. 1309]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Food Stamp Act Amendments of 1980".

Food Stamp Act
Amendments of
1980.

7 USC 2011 note.

TITLE I—REDUCTION IN FOOD STAMP ERROR AND FRAUD
AND REVISION OF DEDUCTIONS

MEALS IN SHELTERS FOR BATTERED WOMEN AND CHILDREN

SEC. 101. (a) Section 3 of the Food Stamp Act of 1977 is amended by—

7 USC 2012.

(1) striking out in clause (1) of subsection (g) "and (7)" and inserting in lieu thereof "(7), and (8)";

93 Stat. 392.

(2) striking out in subsection (g) "and (7)" and inserting in lieu thereof "(7)";

(3) inserting immediately before the period at the end of subsection (g) the following: ", and (8) in the case of women and children temporarily residing in public or private nonprofit shelters for battered women and children, meals prepared and served, by such shelters";

(4) inserting in the last sentence of subsection (i) after "section 1616(e) of the Social Security Act," the following: "temporary residents of public or private nonprofit shelters for battered women and children,"; and

42 USC 1382e.

(5) striking out in clause (2) of subsection (k) "and (7)" and inserting in lieu thereof "(7), and (8)".

(b) Section 10 of the Food Stamp Act of 1977 is amended as follows:

93 Stat. 392.

(1) inserting after "purchased" a comma;

7 USC 2019.

(2) striking out the comma immediately after "residents"; and

(3) inserting after "programs" the following: ", public and private nonprofit shelters that prepare and serve meals for battered women and children".

EXCLUDING ENERGY ASSISTANCE PAYMENTS FROM INCOME

SEC. 102. Section 5(d) of the Food Stamp Act of 1977 is amended by—

7 USC 2014.

(1) striking out "and" before "(10)"; and

(2) inserting before the period at the end thereof the following: ", and (11) any payments or allowances made under any Federal, State, or local laws for the purpose of providing energy assistance".

CONSUMER PRICE INDEX

93 Stat. 390.
7 USC 2014.
Post, p. 369.

SEC. 103. Section 5(e) of the Food Stamp Act of 1977 is amended by inserting "for all urban consumers" after "Consumer Price Index" each time those words appear.

DEPENDENT CARE DEDUCTIONS FOR WORKING ADULTS

SEC. 104. Effective October 1, 1981, section 5(e) of the Food Stamp Act of 1977 is amended by—

(1) in the fourth sentence, amending clause (1) to read as follows: "(1) a dependent care deduction for the actual cost of payments necessary for the care of a dependent regardless of the dependent's age, the maximum allowable level of which shall be \$90 per month, per household, when such care enables a household member to accept or continue employment, or training or education that is preparatory for employment, and";

(2) in the fourth sentence, striking out everything after "March 31" down to the period at the end of the sentence; and

(3) in clause (B), striking out "that for the excess shelter expense deduction contained in clause (2) of the preceding sentence" and inserting in lieu thereof the following: "described in clause (1) of the preceding sentence".

EXPANDED MEDICAL DEDUCTIONS FOR THE ELDERLY

SEC. 105. Effective October 1, 1981, section 5(e)(A) of the Food Stamp Act of 1977 is amended by—

(1) inserting "or their spouses" before ", exclusive of special diets,"; and

(2) striking out "\$35" and inserting in lieu thereof "\$25".

MEDICAL DEDUCTION FOR THE BLIND AND DISABLED IN CERTAIN AREAS

SEC. 106. Effective October 1, 1981, section 5(e) of the Food Stamp Act of 1977 is amended by:

(1) in the fourth and last sentences, inserting "and blindness" after each time "disability" appears; and

(2) in the fourth and last sentences, striking out "title II" each time that it appears and inserting in lieu thereof: "titles I, II, X, XIV, and XVI".

RETROSPECTIVE ACCOUNTING

7 USC 2014.

SEC. 107. Section 5(f) of the Food Stamp Act of 1977 is amended to read as follows:

"(f) Household income for those households that by contract for other than an hourly or piecework basis, or by self-employment, derive their annual income in a period of time shorter than one year, shall be calculated by the State agency for the purpose of determining household eligibility by being averaged over a twelve-month period. For those households that receive nonexcluded income of the type specified in subsection (d)(3) of this section, such income shall be calculated by being averaged over the period for which it is provided. State agencies shall elect and use one of the following two methods in calculating income for all other households:

"(1) taking into account the income reasonably anticipated to be received by the household in the certification period for which

eligibility is being determined and the income that has been received by the household during the thirty days preceding the filing of its application for food stamps so that the State agency may reasonably ascertain the income that is and will be actually available to the household for the certification period; or

“(2) using income received in a previous month as the basis, in accordance with standards prescribed by the Secretary, except for the month of application and subsequent months specified by the Secretary for newly applying households (other than households reapplying within thirty days after the end of a prior certification period). In addition, the Secretary shall make modifications or exceptions to this method of income calculation with respect to households experiencing sudden and significant losses of income (including households experiencing losses of income of \$50 per month or more) or the addition of a new member, households in immediate need in accordance with the provisions of section 11(e)(9) of this Act, migrant farmworker households, and other classes of households if the Secretary determines that this method of income calculation would be impracticable to administer or would cause serious hardship for such households. In promulgating regulations governing the method of income calculation described in this subsection, the Secretary shall consult with the Secretary of Health and Human Services so that, wherever feasible, and consistent with the purposes of the applicable Acts, households receiving income under title IV-A of the Social Security Act shall have income calculated on a consolidated and comparable basis.”.

7 USC 2020.

Regulations,
consultation
with Secretary of
Health and
Human Services.

42 USC 601.

VEHICLE USE BY HANDICAPPED HOUSEHOLD MEMBERS

SEC. 108. The second sentence of section 5(g) of the Food Stamp Act of 1977 is amended by—

7 USC 2014.

(1) inserting after “other than one used to produce earned income” the following: “or that is necessary for transportation of a physically disabled household member”; and

(2) striking out “or to transport disabled household members”.

STATE OPTION ON ADMINISTRATIVE FRAUD HEARINGS

SEC. 109. Section 6(b) of the Food Stamp Act of 1977 is amended by inserting after the first sentence thereof a new sentence as follows: “Each State agency shall proceed against such alleged fraudulent activity either by way of administrative fraud hearings in accordance with clause (1) of this subsection or by referring such matters to appropriate legal authorities for civil or criminal action in accordance with clause (2) of this subsection, or both.”.

93 Stat. 391.
7 USC 2015.

PERIODIC REPORTING

SEC. 110. Section 6(c) of the Food Stamp Act of 1977 is amended by striking out everything after the first sentence and inserting in lieu thereof the following:

7 USC 2015.

“(1) State agencies that elect to use a system of retrospective accounting in accordance with section 5(f)(2) of this Act shall require certain categories of households to file periodic reports of household circumstances in accordance with standards prescribed by the Secretary. Other State agencies, which have received the approval of the Secretary, may also require such

Ante, p. 358.

categories of households to file periodic reports. Each household that is not required to file such periodic reports on a monthly basis shall be required to report or cause to be reported to the State agency, on a form designed or approved by the Secretary, changes in income or household circumstances which the Secretary deems necessary in order to assure accurate eligibility and benefit determinations.

"(2) Any household required to file a periodic report under paragraph (1) of this subsection shall, (A) if it is eligible to participate and has filed a timely and complete report, receive its allotment, based on the reported information for a given month, within thirty days of the end of that month unless the Secretary determines that a longer period of time is necessary, (B) have available special procedures that permit the filing of the required information in the event all adult members of the household are mentally or physically handicapped or lacking in reading or writing skills to such a degree as to be unable to fill out the required forms, (C) have a reasonable period of time after the close of the month in which to file their reports on forms approved by the Secretary, and (D) be afforded prompt notice of failure to file any report timely or completely, and given a reasonable opportunity to cure that failure (with any applicable time requirements extended accordingly) and to exercise its rights under section 11(e)(10) of this Act.

"(3) Reports required to be filed under paragraph (1) of this subsection shall be considered complete if, in accordance with standards prescribed by the Secretary, they contain sufficient information to enable the State agency to determine household eligibility and allotment levels. All report forms, including those related to periodic reports of circumstances, shall contain a description, in understandable terms in prominent and bold face lettering, of the appropriate civil and criminal provisions dealing with violations of this Act including the prescribed penalties. The reporting requirements contained in paragraph (1) of this subsection shall be the sole such requirements for reporting changes in circumstances for participating households. In promulgating regulations implementing these reporting requirements, the Secretary shall consult with the Secretary of Health and Human Services, and, wherever feasible, households that receive assistance under title IV-A of the Social Security Act and that are required to file comparable reports under that Act shall be provided the opportunity to file reports at the same time for purposes of both Acts."

7 USC 2020.

Regulations,
consultation
with Secretary of
Health and
Human Services.
42 USC 601.

CONFORMING AMENDMENTS FOR RETROSPECTIVE ACCOUNTING AND PERIODIC INCOME REPORTING

7 USC 2012.

SEC. 111. Section 3(c) of the Food Stamp Act of 1977 is amended to read as follows:

"Certification
period."

"(c) 'Certification period' means the period for which households shall be eligible to receive authorization cards. For those households that are required to submit periodic reports under section 6(c)(1) of this Act, the certification period shall be at least six months but no longer than twelve months. For households that are not required to submit periodic reports, the certification period shall be determined as follows:

"(1) In the case of a household all of whose members are included in a federally aided public assistance or general assistance grant, the period shall coincide with the period of such grant.

"(2) In the case of all other households, the period shall be not less than three months: *Provided*, That such period may be up to twelve months for any household consisting entirely of unemployable or elderly or primarily self-employed persons, or as short as circumstances require for those households as to which there is a substantial likelihood of frequent changes in income or household status, and for any household on initial certification, as determined by the Secretary."

SEC. 112. Section 5(d)(2) of the Food Stamp Act of 1977 is amended by inserting after the second comma the following: "subject to modification by the Secretary in light of section 5(f)(2) of this Act,".

7 USC 2014.

Ante, p. 358.

SEC. 113. Section 11(e)(4) of the Food Stamp Act of 1977 is amended by inserting immediately after "subsection" the following: "": *Provided*, That the timeliness standards for submitting the notice of expiration and filing an application for recertification may be modified by the Secretary in light of sections 5(f)(2) and 6(c) of this Act if administratively necessary".

7 USC 2020.

Ante, pp. 358, 359.

PARTICIPATION BY STRIKERS

SEC. 114. Section 6(d) of the Food Stamp Act of 1977 is amended by adding at the end thereof a new paragraph (4) as follows:

7 USC 2015.

"(4) Notwithstanding any other provision of law, a household shall not participate in the food stamp program at any time that any member of such household, not exempt from the work registration requirements of paragraph (1) of this subsection, is on strike as defined in section 501(2) of the Labor Management Relations Act, 1947, because of a labor dispute (other than a lockout) as defined in section 2(9) of the National Labor Relations Act: *Provided*, That a household shall not lose its eligibility to participate in the food stamp program as a result of one of its members going on strike if the household was eligible for food stamps immediately prior to such strike: *Provided further*, That such ineligibility shall not apply to any household that does not contain a member on strike, if any of its members refuses to accept employment at a plant or site because of a strike or lockout: *Provided further*, That such ineligibility shall not apply if the household meets the income qualifications, assets requirements, and work registration requirements, as mandated in subsection (i) of this section."

29 USC 142.

29 USC 152.

INCOME AND RESOURCES OF INELIGIBLE ALIEN

SEC. 115. Section 6(f) of the Food Stamp Act of 1977 is amended by adding at the end thereof a new sentence as follows: "The income (less a pro rata share) and financial resources of the individual rendered ineligible to participate in the food stamp program under this subsection shall be considered in determining the eligibility and the value of the allotment of the household of which such individual is a member."

7 USC 2015.

MATCHING OF INCOME INFORMATION AND OTHER VERIFICATION

SEC. 116. Section 11(e)(3) of the Food Stamp Act of 1977 is amended by—

7 USC 2020.

Post, p. 367.

(1) inserting after "section 5(d) of this Act" the following: "(in part through the use of the information, if any, obtained under subsections (h) and (i) of section 16 of this Act)"; and

7 USC 2025.

(2) inserting after "sections 5 and 6 of this Act," the following: "although the State agency may verify prior to certification, whether questionable or not, the size of any applicant household and any factors of eligibility involving households that fall within the State agency's error-prone household profiles as developed by the State agency from the quality control program conducted under section 16 of this Act and as approved by the Secretary,".

PHOTO IDENTIFICATION

7 USC 2020.

SEC. 117. Section 11(e) of the Food Stamp Act of 1977, as amended, is amended by striking out "and" at the end of paragraph (15), and adding at the end thereof a new paragraph (17) as follows:

"(17) that the State agency shall require each household certified as eligible to participate by methods other than the out-of-office methods specified in the last sentence of paragraph (2) of this subsection in those project areas or parts of project areas in which the Secretary, in consultation with the Department's Inspector General, finds that it would be useful to protect the program's integrity, to present a photographic identification card when using its authorization card in order to receive its coupons,".

REPORTING ILLEGAL ALIENS

SEC. 118. Section 11(e) of the Food Stamp Act of 1977, as amended by section 117 of this Act, is amended by adding at the end thereof a new paragraph (18) as follows:

8 USC 1101 note.

"(18) notwithstanding paragraph (8) of this subsection, for the immediate reporting to the Immigration and Naturalization Service by the State agency of a determination by personnel responsible for the certification or recertification of households that any member of a household is ineligible to receive food stamps because that member is present in the United States in violation of the Immigration and Nationality Act,".

COMPUTERIZATION

7 USC 2020.

SEC. 119. Section 11(e) of the Food Stamp Act of 1977, as amended by section 118 of this Act, is amended by inserting "and" at the end of paragraph (18) and adding at the end thereof a new paragraph (19) as follows:

"(19) at the option of the State agency, for the establishment and operation of an automatic data processing and information retrieval system that meets such conditions as the Secretary may prescribe and that is designed to provide efficient and effective administration of the food stamp program,".

STATE COMPLIANCE WITH LAW

SEC. 120. Section 11(g) of the Food Stamp Act of 1977 is amended by—

(1) inserting after "determines" the following: ", upon information received by the Secretary, investigation initiated by the Secretary, or investigation that the Secretary shall initiate upon receiving sufficient information evidencing a pattern of lack of

compliance by a State agency of a type specified in this subsection,”;

(2) inserting “without good cause” before “to comply”;

(3) striking out “or” before “the State plan of operation”;

(4) inserting after “section,” the following: “or the Secretary’s standards for the efficient and effective administration of the program established under section 16(b)(1) of this Act”; and

7 USC 2025.

(5) inserting before the period at the end of the second sentence the following: “, and, whether or not the Secretary refers such matter to the Attorney General, the Secretary shall proceed to withhold from the State such funds authorized under sections 16(a) and 16(c) of this Act as the Secretary determines to be appropriate, subject to administrative and judicial review under section 14 of this Act.”.

93 Stat. 391.

7 USC 2025.

Post, p. 364.

7 USC 2023.

7 USC 2025.

SEC. 121. Section 16(b) of the Food Stamp Act of 1977 is amended by striking out the last sentence thereof.

SOCIAL SECURITY OFFICE APPLICATION

SEC. 122. Section 11(i)(2) of the Food Stamp Act of 1977 is amended by striking out “simplified affidavit” and inserting in lieu thereof “simple application”.

7 USC 2020.

SPECIAL FINANCIAL AUDIT REVIEW OF HIGH PARTICIPATION STATES

SEC. 123. Section 11 of the Food Stamp Act of 1977 is amended by adding at the end thereof a new subsection (l) as follows:

“(l) Whenever the ratio of a State’s average food stamp participation in any quarter of a fiscal year to the State’s total population in that quarter (estimated on the basis of the latest available population estimates as provided by the Department of Commerce, Bureau of the Census, Series P-25, Current Population Reports (or its successor series)) exceeds 60 per centum, the Office of the Inspector General of the Department of Agriculture shall immediately schedule a financial audit review of a sample of project areas within that State, and shall, upon completion of the audit, provide a report to Congress of its findings and recommendations within one hundred and eighty days. Any financial audit review subsequent to the first such review, required under the preceding sentence, shall be conducted at the option of the Office of the Inspector General.”.

FORFEITURE OF PROPERTY INVOLVED IN ILLEGAL FOOD STAMP TRANSACTIONS

SEC. 124. Section 15 of the Food Stamp Act of 1977 is amended by adding at the end thereof a new subsection (g) as follows:

7 USC 2024.

“(g) The Secretary may subject to forfeiture and denial of property rights any nonfood items, moneys, negotiable instruments, securities, or other things of value that are furnished or intended to be furnished by any person in exchange for coupons or authorization cards in any manner not authorized by this Act or the regulations issued under this Act. Any forfeiture and disposal of property forfeited under this subsection shall be conducted in accordance with procedures contained in regulations issued by the Secretary.”.

STATE INCENTIVES FOR REDUCING ERROR

7 USC 2025.

SEC. 125. Section 16(c) of the Food Stamp Act of 1977 is amended by—

(1) striking out “Effective October 1, 1978, the” and inserting in lieu thereof “The”;

(2) inserting “(1) effective October 1, 1978,” after “such share to”;

(3) inserting “(A)” after “State agency whose”;

(4) inserting “semiannual” before “cumulative”;

(5) striking out “section is less” and inserting in lieu thereof “section are less”;

(6) inserting before the period at the end thereof the following: “and (B) whose rate of invalid decisions in denying eligibility as calculated in the quality control program conducted under subsection (d)(1) of this section is less than a nationwide percentage that the Secretary determines to be reasonable”;

“(2) effective October 1, 1980, 65 per centum of all such administrative costs in the case of a State agency meeting the standards contained in paragraph (1) of this subsection;

“(3) effective October 1, 1980, 60 per centum of all such administrative costs in the case of a State agency whose cumulative allotment error rate as determined under paragraph (1)(A) of this subsection is greater than 5 per centum but less than 8 per centum or the national standard payment error rate for the base period, whichever is lower, and which also meets the standard contained in paragraph (1)(B) of this subsection; and

“(4) effective October 1, 1980, 55 per centum of all such administrative costs in the case of a State agency whose annual rate of error reduction is equal to or exceeds 25 per centum. No State agency shall receive more than one of the increased federally funded shares of administrative costs set forth in paragraphs (1) through (4) of this subsection”.

STATE LIABILITY FOR ERRORS

SEC. 126. Section 16 of the Food Stamp Act of 1977 is amended by adding at the end thereof a new subsection (g) as follows:

“(g)(1) The Secretary shall institute an error liability program under which each State agency shall, other than for good cause as determined by the Secretary, pay to the Secretary or have withheld by the Secretary as described in paragraph (4) of this subsection, the amount by which the dollar value equivalent of the State agency's payment error rate, as determined by the Secretary, for each six-month period, exceeds the dollar value equivalent of either—

“(A) the State agency payment error rate for the base period less a national annual rate of error reduction, as determined by the Secretary, taking into account program circumstances and rates of error reduction in comparable Federal or federally assisted public assistance programs, or

“(B) the national standard payment error rate for the base period, whichever is higher.

Definitions.

“(2) As used in this subsection, (A) ‘base period’ means, for fiscal year 1981, the six months beginning October 1, 1979, and ending March 31, 1980 and, for each fiscal year thereafter, the six months beginning October 1 and ending March 30 of the prior fiscal year; (B) ‘payment error rate’ means the percentage of all food stamp allot-

ments which are issued in a given period by a State agency to households that fail to meet the eligibility requirements of sections 5 and 6 of this Act, are overissued to eligible households, and are underissued to eligible households; (C) 'national standard payment error rate' means the weighted mean payment error rate for all State agencies; and (D) 'dollar value equivalent' means the value of allotments determined by multiplying a given error rate by the dollar value of all the allotments issued by a State agency during the particular period in question.

7 USC 2014,
2015.

"(3) The Secretary shall conduct a study to determine whether it is feasible to include in the calculation of each State agency's payment error rate, and in the calculation of the national standard payment error rate, invalid decisions by each State agency denying eligibility to households that are in fact eligible. If the Secretary determines that such a change in the method of calculation is feasible, the Secretary shall implement changes in the method of calculating payment error rates for the purposes described in this section.

Feasibility
study.

"(4) If the Secretary makes a claim against a State for payment under paragraph (1) of this subsection, that State may seek administrative and judicial review of such claim under the procedures set forth in section 14 of this Act. If such claim is ultimately determined to be valid or is not contested by the State, it shall be collected by the Secretary and may be collected through State payment, through withholding amounts otherwise payable to the State agency under subsection (a) of this section, or through other mechanisms authorized by the Federal Claims Collection Act of 1966."

Administrative
and judicial
review.

7 USC 2023.

31 USC 951 note.

DISCLOSURE PROVISIONS

SEC. 127. (a)(1) Subsection (i) of section 6103 of the Internal Revenue Code of 1954 (relating to disclosure of returns and return information for purposes other than tax administration) is amended by adding at the end thereof the following new paragraph:

26 USC 6103.

"(7) DISCLOSURE OF CERTAIN RETURN INFORMATION BY SOCIAL SECURITY ADMINISTRATION TO DEPARTMENT OF AGRICULTURE AND TO STATE FOOD STAMP AGENCIES.—

"(A) IN GENERAL.—The Commissioner of Social Security may disclose return information from returns with respect to net earnings from self-employment (as defined in section 1402), wages (as defined in section 3121(a) or 3401(a)), and payments of retirement income which have been disclosed to the Social Security Administration as provided by paragraph (1) or (5) of this subsection—

26 USC 1402,
3121, 3401.

"(i) upon request, to officers and employees of the Department of Agriculture, and

"(ii) upon written request, to officers and employees of a State food stamp agency.

"(B) RESTRICTION ON DISCLOSURE.—The Commissioner of Social Security shall disclose return information under subparagraph (A) only for purposes of, and to the extent necessary in, determining an individual's eligibility for benefits, or the amounts of benefits, under the food stamp program established under the Food Stamp Act of 1977.

7 USC 2011 note.

"(C) STATE FOOD STAMP AGENCY.—For purposes of this paragraph, the term 'State food stamp agency' means any agency described in section 3(n)(1) of the Food Stamp Act of

7 USC 2012.

1977 which administers the food stamp program established under such Act.”.

26 USC 6103.

(2)(A) Subparagraph (A) of section 6103(p)(3) of such Code (relating to records of inspection and disclosure) is amended by striking out “(1)(1) or (4)(B) or (5)” and inserting in lieu thereof “(1)(1), (4)(B), (5), or (7)”.

(B) Paragraph (4) of section 6103(p) of such Code (relating to safeguards) is amended by striking out “(1)(3) or (6)” in so much of such paragraph as precedes subparagraph (A) thereof and inserting in lieu thereof “(1)(3), (6), or (7)”.

(C) Clause (i) of section 6103(p)(4)(F) of such Code is amended by striking out “(1)(6)” and inserting in lieu thereof “(1)(6) or (7)”.

26 USC 7213.

(D) The first sentence of paragraph (2) of section 7213(a) of such Code is amended—

(i) by striking out “or any educational institution” and inserting in lieu thereof “any educational institution, or any State food stamp agency (as defined in section 6103(l)(7)(C))”, and

(ii) by striking out “subsection (d), (1)(6), or (m)(4)(B)” and inserting in lieu thereof “subsection (d), (1)(6) or (7), or (m)(4)(B)”.

Effective date.

26 USC 6103

note.

42 USC 503.

(3) The amendments made by this subsection shall take effect on the date of the enactment of this Act.

(b)(1) Section 303 of the Social Security Act is amended by adding at the end thereof the following new subsection:

“(d)(1) The State agency charged with the administration of the State law—

“(A) shall disclose, upon request and on a reimbursable basis, to officers and employees of the Department of Agriculture and to officers or employees of any State food stamp agency any of the following information contained in the records of such State agency—

“(i) wage information,

“(ii) whether an individual is receiving, has received, or has made application for, unemployment compensation, and the amount of any such compensation being received (or to be received) by such individual,

“(iii) the current (or most recent) home address of such individual, and

“(iv) whether an individual has refused an offer of employment and, if so, a description of the employment so offered and the terms, conditions, and rate of pay therefor, and

“(B) shall establish such safeguards as are necessary (as determined by the Secretary of Labor in regulations) to insure that information disclosed under subparagraph (A) is used only for purposes of determining an individual's eligibility for benefits, or the amount of benefits, under the food stamp program established under the Food Stamp Act of 1977.

Notification to
State agency.

“(2) Whenever the Secretary of Labor, after reasonable notice and opportunity for hearing to the State agency charged with the administration of the State law, finds that there is a failure to comply substantially with the requirements of paragraph (1), the Secretary of Labor shall notify such State agency that further payments will not be made to the State until he is satisfied that there is no longer any such failure. Until the Secretary of Labor is so satisfied, he shall make no further certification to the Secretary of the Treasury with respect to such State.

“State food
stamp agency.”

“(3) For purposes of this subsection, the term ‘State food stamp agency’ means any agency described in section 3(n)(1) of the Food

Stamp Act of 1977 which administers the food stamp program established under such Act.”

7 USC 2012.

(2) Paragraph (2) of section 304(a) of the Social Security Act is amended by striking out “subsection (b) or (c)” and inserting in lieu thereof “subsection (b), (c), or (d)”.

42 USC 504.

(3) The amendments made by this subsection shall take effect on January 1, 1983.

Effective date.
42 USC 503 note.

PAYMENT OF CERTAIN LEGAL FEES

SEC. 128. Section 16 of the Food Stamp Act of 1977, as amended by section 126 of this Act, is amended by adding at the end thereof a new subsection (h) as follows:

7 USC 2025.

“(h) Notwithstanding any other provision of law, counsel may be employed and counsel fees, court costs, bail, and other expenses incidental to the defense of officers and employees of the Department of Agriculture may be paid in judicial or administrative proceedings to which such officers and employees have been made parties and that arise directly out of their performance of duties under this Act; and”.

COST SHARING FOR COMPUTERIZATION

SEC. 129. Section 16 of the Food Stamp Act of 1977, as amended by section 128 of this Act, is amended by adding at the end thereof a new subsection (i) as follows:

“(i) Effective October 1, 1980, the Secretary is authorized to pay to each State agency an amount equal to—

“75 per centum of the costs incurred by the State agency in the planning, design, development, or installation of automatic data processing and information retrieval systems that the Secretary determines (1) will assist in meeting the requirements of this Act, (2) meet such conditions as the Secretary prescribes, (3) are likely to provide more efficient and effective administration of the food stamp program, and (4) will be compatible with other such systems used in the administration of State plans under the Aid to Families with Dependent Children Program under title IV of the Social Security Act: *Provided*, That there shall be no such payments to the extent that a State agency is reimbursed for such costs under any other Federal program or uses such systems for purposes not connected with the food stamp program: *Provided further*, That any costs matched under this subsection shall be excluded in determining the State agency’s administrative costs under any other subsection of this section.”.

42 USC 601.

CONTINUATION OF CASH-OUT PILOT PROJECTS

SEC. 130. Section 17(b)(1) of the Food Stamp Act of 1977 is amended by adding at the end thereof a new sentence as follows: “Any pilot or experimental project implemented under this paragraph involving the payment of the value of allotments in the form of cash to eligible households shall be continued until October 1, 1981, if the State so requests.”.

7 USC 2026.

WORKFARE JOB-SEARCH TIME PERIOD

SEC. 131. Section 17(b)(2) of the Food Stamp Act of 1977, as amended, is amended by adding after the phrase “thirty days” in the second sentence the following: “(ten days in at least one pilot project area designated by the Secretary)”.

Post, p. 368.

WORKFARE PILOT PROJECT REVISIONS

7 USC 2026.
Ante, p. 367.

SEC. 132. (a) Section 17(b)(2) of the Food Stamp Act of 1977 is amended by striking out everything after "Act," in the last sentence and inserting in lieu thereof the following: "shall issue interim reports no later than October 1, 1979, October 1, 1980, and March 30, 1981, shall issue a final report describing the results of such pilot projects based upon their operation from their commencement through the fiscal year ending September 30, 1981, and shall pay to the agencies or organizations operating such pilot projects 50 per centum of all administrative costs involved in such operation."

Effective date.
 7 USC 2026 note.

(b) The provisions of section 17(b)(2) of the Food Stamp Act of 1977 for the sharing of administrative costs, as added by subsection (a) of this section, shall be effective on the date of enactment of this Act.

STUDY OF CPI

7 USC 2026.

SEC. 133. Section 17 of the Food Stamp Act of 1977, is amended by adding at the end thereof a new subsection (e) as follows:

"(e) The Director of the Congressional Budget Office, in consultation with the Secretary, the Secretary of Commerce, and the Secretary of Labor, shall review the Consumer Price Index and the various alternative consumer price or cost-of-living indices, such as the Personal Consumption Expenditure (PCE) Deflator, to examine the limitations of each statistical alternative and the factors causing the various indices to differ with each other and to reflect inconsistencies with their own prior year indices in measuring the cost-of-living or the rate of inflation. The study shall seek to determine whether the Consumer Price Index is the most accurate indexation base for the food stamp program, or whether an alternative or combination of alternatives may be the more accurate indexation base to reflect consumer prices or changes in the costs of living. The Director of the Congressional Budget Office shall report the results of the study to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, together with such recommendations as the Director deems appropriate, by February 1, 1981."

Results, report to
 congressional
 committees.

USE OF FEDERAL FUNDS TO INTERFERE WITH PROGRAM
IMPLEMENTATION

93 Stat. 389.
 7 USC 2027.
Post, p. 370.

SEC. 134. Section 18(a) of the Food Stamp Act of 1977 is amended by—

(1) inserting "(1)" immediately after the subsection designation; and

(2) adding at the end thereof a new paragraph (2) as follows:

"(2) No funds authorized to be appropriated under this Act or any other Act of Congress shall be used by any person, firm, corporation, group, or organization at any time, directly or indirectly, to interfere with or impede the implementation of any provision of this Act or any rule, regulation, or project thereunder, except that this limitation shall not apply to the provision of legal and related assistance in connection with any proceeding or action before any State or Federal agency or court. The President shall ensure that this paragraph is complied with by such order or other means as the President deems appropriate."

ANNUAL ADJUSTMENT OF THE THRIFTY FOOD PLAN

SEC. 135. Section 3(o) of the Food Stamp Act of 1977 is amended by—

7 USC 2012.

- (1) striking out “and” before “(4)”;
- (2) inserting “through January 1, 1980,” after “(4)”;
- (3) inserting before the period at the end thereof the following: “, (5) on January 1, 1981, adjust the cost of such diet to the nearest dollar increment to reflect changes in the cost of the thrifty food plan for the twelve months ending the preceding September 30, and (6) on January 1, 1982, adjust the cost of such diet to the nearest dollar increment to reflect changes in the cost of the thrifty food plan for the twelve months ending the preceding September 30 and the subsequent three months ending December 31 as projected by the Secretary in light of the best available data; and, as of every January 1 thereafter, for the nine months ending the preceding September 30 and the subsequent three months ending December 31 as projected by the Secretary in light of the best available data”.

ADJUSTMENTS OF DEDUCTIONS

SEC. 136. Section 5(e) of the Food Stamp Act of 1977 is amended by—

93 Stat. 390.
7 USC 2014.
Ante, p. 358.

- (1) striking out the comma after “1978” in the second sentence and inserting “through January 1, 1980,” immediately thereafter;
- (2) inserting before the period at the end of the second sentence the following: “, and, on January 1, 1981, shall be adjusted to the nearest \$5 to reflect such changes for the twelve months ending the preceding September 30; and, on January 1, 1982, shall be adjusted to the nearest \$5 to reflect such changes for the twelve months ending the preceding September 30 and the subsequent three months ending December 31 as projected by the Secretary in light of the best available data; and, as of every January 1 thereafter, for the nine months ending the preceding September 30 and the subsequent three months ending December 31 projected by the Secretary in light of the best available data”;
- (3) striking out “(commencing July 1, 1978)” in clause (2) of the fourth sentence and inserting in lieu thereof “on July 1, 1978, and July 1, 1979” in lieu thereof; and
- (4) inserting before the period at the end of the fourth sentence the following: “, on January 1, 1981, adjusted to the nearest \$5 increment to reflect such changes for the eighteen-month period ending the preceding September 30, and, on January 1, 1982, adjusted to the nearest \$5 to reflect such changes for the twelve months ending the preceding September 30 and the subsequent three months ending December 31 as projected by the Secretary in light of the best available data, and, on every January 1 thereafter, adjusted annually to the nearest \$5 increment to reflect such changes for the nine months ending the preceding September 30 and the subsequent three months ending December 31 projected by the Secretary in light of the best available data”.

ADJUSTMENT OF POVERTY GUIDELINES

7 USC 2014.

SEC. 137. Section 5(c) of the Food Stamp Act of 1977 is amended by striking out everything after “forty-eight contiguous States” and inserting a period in lieu thereof.

REDUCTION IN ASSETS LIMITATIONS

SEC. 138. Section 5(g) of the Food Stamp Act of 1977 is amended by striking out “\$1,750” and inserting in lieu thereof “\$1,500”.

RESTRICTION ON STUDENT PARTICIPATION

7 USC 2015.

SEC. 139. Section 6(e) of the Food Stamp Act of 1977 is amended by striking out everything after “(1)” and inserting in lieu thereof the following: “is physically and mentally fit and is between the ages of eighteen and sixty, (2) is enrolled at least half time in an institution of higher education, and (3)(A) is not employed a minimum of twenty hours per week or does not participate in a federally financed work study program during the regular school year or (B) is not the head of a household (or spouse of such head) containing one or more other persons who are dependents of that individual because he or she supplies more than half of their support, or (C) is not so enrolled as a result of participation in the work incentive program under title IV of the Social Security Act, as amended (42 U.S.C. 602).”.

SEC. 140. Section 6(d) of the Food Stamp Act of 1977 is amended by striking out everything after “person” in the parenthesis in clause (D) of paragraph (2) and inserting in lieu thereof the following: “enrolled in an institution of higher education shall be ineligible to participate in the food stamp program unless he or she meets the requirements of subsection (e) of this section”).

TITLE II—FOOD STAMP FUNDING

APPROPRIATIONS CEILING

93 Stat. 389.

7 USC 2027.

Ante, p. 368.

SEC. 201. The first sentence of section 18(a) of the Food Stamp Act of 1977 is amended by—

(1) striking out “\$6,188,600,000” and inserting “\$9,491,000,000” in lieu thereof; and

(2) striking out “\$6,235,900,000” and inserting “\$9,739,276,000” in lieu thereof.

Approved May 26, 1980.

LEGISLATIVE HISTORY:

HOUSE REPORTS: No. 96-295 accompanying H.R. 4303 (Comm. on Agriculture), No. 96-788 (Comm. on Agriculture), and No. 96-957 (Comm. of Conference).

SENATE REPORTS: No. 96-236 (Comm. on Agriculture, Nutrition, and Forestry) and No. 96-704 (Comm. of Conference).

CONGRESSIONAL RECORD:

Vol. 125 (1979): June 25, 26, H.R. 4303 considered and passed House. July 21, 23, S. 1309 considered and passed Senate.

Vol. 126 (1980): May 7, 8, S. 1309 considered and passed House, amended.

May 14, Senate agreed to conference report.

May 15, House agreed to conference report.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS:

Vol. 16, No. 22 (1980): May 27, Presidential statement.